

Message Text

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ACTION OES-06

INFO OCT-01 EA-07 ISO-00 FEA-01 CIAE-00 DODE-00 INR-07
NSAE-00 PA-01 USIA-06 PRS-01 SP-02 COME-00 FPC-01
EPA-01 ACDA-07 IO-13 L-03 NSC-05 EB-08 NRC-05 JUSE-00
/075 W

-----250531 036318 /17

R 250115Z FEB 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 9870

INFO AMEMBASSY TOKYO

AMCONSUL SYDNEY

USERDA HQ GERMANTOWN

USERDA HQ WASHDC

LIMITED OFFICIAL USE CANBERRA 1303

EO 11652: NA

TAGS: EMIN, ENRG, AS, US

SUBJ: AUSTRALIAN VISIT OF U.S. NUCLEAR UTILITIES GROUP

REF: A. CANBERRA 0911, B. STATE 038523 (BOTH NOTAL)

1. U.S. NUCLEAR UTILITY GROUP ARRIVED AND DEPARTED CANBERRA WITHOUT ADVERSE REACTION FROM PRESS OR FROM INTERESTS EITHER FOR OR VS. URANIUM MINING IN AUSTRALIA. GROUP MET WITH AMBASSADOR AND EMBOFFS AT GROUP'S REQUEST. PER REF B, EMBASSY PROVIDED NO REPEAT NO FACILITATIVE ASSISTANCE TO GROUP REGARDING THEIR CONTACTS WITH GOA OR INDUSTRY OFFICIALS. INITIAL EMBASSY MEETING WAS ATTENDED BY U.S. GROUP, PAN-CONTINENTAL AND GETTY MINING REPS. LATER, SEPARATE SESSION HELD WITH GILLELAND OF TVA AT HIS REQUEST. EMBASSY IMPRESSED ON GROUP THE SENSITIVITY OF URANIUM MINING AND NUCLEAR POWER ISSUES IN AUSTRALIA, WHICH GROUP RECOGNIZED. EMBASSY REQUESTED U.S. GROUP NOT TO DRAW USG INTO DISCUSSIONS, WHICH THEY DID NOT.

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2. PRIOR CANBERRA ARRIVAL, U.S. GROUP MET IN SYDNEY WITH AUSTRALIAN ATOMIC ENERGY OFFICIALS AND MEMBERS OF AUSTRALIAN URANIUM PRODUCER'S FORUM, THE LATTER AN ASSOCIATION OF POTENTIAL URANIUM MINERS IN AUSTRALIA. NO DETAILS OF MEETINGS MADE PUBLIC OTHER THAN REMARK THAT DISCUSSIONS CONCERNED FUTURE U.S. MARKET FOR URANIUM AND NUCLEAR SAFEGUARDS RELATED TO

MINING AND EXPORTING URANIUM. PRESS DID NOT PICK UP SYDNEY MEETINGS.

3. AMONG OTHER, CANBERRA VISIT INCLUDED DEPARTMENT OF NATIONAL RESOURCES: MINISTER J.D. ANTHONY; SECRETARY J. SCULLY; FIRST ASSISTANT SECRETARY, URANIUM AND ELECTRICITY DIVISION, T. LARKIN; MINISTER FOR ENVIRONMENT, HOUSING, AND COMMUNITY DEVELOPMENT, K.E. NEWMAN; SHADOW MINISTER FOR MINERALS AND ENERGY, PAUL KEATING. THESE DISCUSSIONS REVEALED WIDESPREAD CONCERN AMONG GOA OFFICIALS ON QUESTION OF WHETHER LONG-TERM URANIUM CONTRACTS WITH U.S. COULD BE RELIED ON. IN THIS CONNECTION THEY ALLUDED TO U.S. ACTIONS ON BEEF IMPORTS FROM AUSTRALIA. GOA OFFICIALS NONCOMMITTAL ON SPECIFIC URANIUM MINING AND SAFEGUARD ISSUES AS EXPECTED PENDING THE RELEASE OF SECOND FOX REPORT, HOPEFULLY WITHIN NEXT THREE MONTHS. ANTHONY ENCOURAGED U.S. GROUP TO MAKE PUBLIC THEIR ASSESSMENT OF FUTURE MARKET FOR AUSTRALIAN URANIUM AND THEIR VIEWS ON NUCLEAR SAFEGUARD ISSUES.

4. U.S. UTILITY GROUP HELD PRESS CONFERENCE IN CANBERRA AND RECEIVED CORDIAL RECEPTION, WHEN REVERSE COULD HAVE BEEN CASE. PRESS REPORTS INCLUDE GROUP REMARKS THAT THEY WERE IN AUSTRALIA TO ASSESS THE LONG-TERM VIABILITY OF AUSTRALIAN URANIUM TO MEET FUTURE U.S. NEEDS AND NOT TO INFLUENCE GOA POLICY AND WERE CERTAINLY NOT A U.S. URANIUM LOBBY. U.S. GROUP REPORTEDLY STATED THAT FIRST FOX REPORT UNDERESTIMATED FUTURE U.S. MARKET FOR URANIUM AND THAT POTENTIAL U.S. IMPORTS WOULD PROVIDE SUFFICIENT MARKET FOR SIMULTANEOUS DEVELOPMENT OF AUSTRALIAN URANIUM RESOURCES, AS OPPOSED TO SEQUENTIAL DEVELOPMENT.

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DEVELOPMENT WHICH IS PROPOSAL WIDELY DISCUSSED CURRENTLY. PRESS POINTED OUT DANGER THAT UTILITY REPS COULD BE OVERLY OPTIMISTIC IN THEIR CALCULATIONS OF U.S. URANIUM DEMAND AS THIS IS NATURAL TENDENCY FOR BUYERS FACED WITH FUTURE SHORTAGES. IN REPLY GROUP STATED THAT SHOULD OVERCAPACITY EVENTUATE IN AUSTRALIAN URANIUM INDUSTRY, U.S. UTILITIES WOULD TAKE ADVANTAGE OF SITUATION AND STOCKPILE URANIUM. UTILITY REPS REPORTED THAT AUSTRALIAN URANIUM POTENTIALLY SATISFIES U.S. UTILITIES' SUPPLY ASSURANCE AND PRICING CRITERIA, BUT THEY DID NOT GIVE DETAILS OF THEIR UNCOMMITTED REQUIREMENTS FOR URANIUM.

5. U.S. UTILITY SPOKESMAN WAS QUOTED AS STATING THAT U.S. NUCLEAR POWER GENERATING INDUSTRY WOULD NOT BE IMPEDED BY AUSTRALIAN DECISION NOT TO EXPORT URANIUM. QUOTE U.S. PROGRAM WILL GO AHEAD WITH OR WITHOUT AUSTRALIAN URANIUM END QUOTE. REMARK WAS OBVIOUSLY TAKEN OUT OF CONTEXT AS IT IS NOT IMPRESSION THAT U.S. GROUP WISHED TO CONVEY TO AUSTRALIANS. ABOVE PURPORTED QUOTE IS KIND OF REMARK WHICH CASTS DOUBT ON

U.S. AS RELIABLE MARKET FOR URANIUM, WHICH IS EXACTLY WHAT THE GOA DOES NOT WANT TO HEAR. HOWEVER, PRESS DID NOT MAKE AN ISSUE OUT OF REPORTED QUOTE.

6. COMMENT: EMBASSY RECEIVED NO PUBLICITY RELATIVE TO VISIT OF U.S. UTILITIES REPS. GROUP APPEARS TO HAVE BEEN WELL RECEIVED IN AUSTRALIA WITH LITTLE PUBLIC CONTROVERSY GENERATED BECAUSE OF VISIT. IN PASSING, GILLELAND STATED THAT VISIT OF UTILITIES REPS TO AUSTRALIA TRIGGERED UPCOMING MARCH VISIT OF JAPANESE UTILITY REPS TO AUSTRALIA. GILLELAND WAS APPROACHED IN U.S. BY TOKYO UTILITY GROUP AS TO NATURE OF HIS VISIT TO AUSTRALIA. ARRANGEMENTS FOR U.S. UTILITY REPS VISIT WERE MADE AND SPONSORED BY GETTY MINING (U.S.) AND PANCONTINENTAL.

7. UTILITY REPS VISITS WITH GOA OFFICIALS FURTHER DEMONSTRATED THAT GOA OFFICIALS NOT PREPARED TO DISCUSS SPECIFICS OF LIMITED OFFICIAL USE

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URANIUM MINING AND MARKETING UNTIL RECEIPT OF SECOND FOX REPORT, MAYBE IN NEXT THREE MONTHS. END COMMENT.
HARGROVE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR ENERGY, URANIUM, VISITS, MEETING REPORTS, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Litigation History:
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